

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	<u>Range Resources-Pine Mountain, Inc.</u>	)	VIRGINIA GAS
		)	AND OIL BOARD
		)	
RELIEF SOUGHT	<b>EXCEPTION TO STATEWIDE SPACING</b>	)	
	LIMITATIONS PRESCRIBED BY	)	DOCKET NO.
	VA. CODE § 45.1-361.17 (a) (2)	)	<u><b>VGOB-11-0719-2978</b></u>
	FOR <u><b>WELL NO. 900011</b></u>	)	
		)	
		)	
		)	
		)	
LEGAL DESCRIPTION:		)	
		)	
	DRILLING UNIT SERVED BY WELL	)	
	NUMBERED <u><b>900011</b></u>	)	
	TO BE DRILLED IN THE LOCATION	)	
	DEPICTED ON <b>EXHIBIT A</b> HERETO,	)	
	<u><b>Big Sandy Fuel Corporation Tract</b></u>	)	
	47.56 Acres, more or less	)	
	<b>PRATER QUADRANGLE</b>	)	
	<b>PRATER DISTRICT</b>	)	
	<u><b>BUCHANAN COUNTY, VIRGINIA</b></u>	)	
	(the "Subject Lands" are more particularly described	)	
	on <b>Exhibit "A"</b> , attached hereto and made a part	)	
	hereof)	)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **9:00 a.m.** on **July 19, 2011** at the Russell County Conference Center, Highland Drive, Lebanon, Virginia.
2. Appearances: **Timothy E. Scott of McKinnis & Scott**, appeared for the Applicant, Range Resources-Pine Mountain, Inc. ("Range").
3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; and (2) represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of this application. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the

Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: None.
5. Dismissals: None.
6. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for **Well No. 900011**.
5. Relief Granted: The requested relief in this cause shall be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed **Well No. 900011** which is **2,304.45 feet from existing Range Well No. 821675** at the location depicted on the Plat attached hereto as **Exhibit A**.
6. Special Findings: The Board specifically and specially finds:
  - 6.1 Applicant is **Range Resources-Pine Mountain, Inc.** Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
  - 6.2 Applicant **Range Resources-Pine Mountain, Inc.** is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
  - 6.3 Applicant claims ownership of Conventional Gas Leases of Subject Drilling Unit and the right to explore for, develop and produce Gas from Well No. **900011** as well as the right to participate and develop the reciprocal wells, being **Range Well 821675**;
  - 6.4 The proposed Well No. **900011** is located on the **Big Sandy Fuel Corporation Tract containing 47.56 acres** and the surface, coal, gas and oil owners have consented to the proposed location for Well No. **900011** that is depicted on the Plat attached hereto as **Exhibit A**;
  - 6.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal **Range Well No. 821675** and that the granting of the application filed herein will not impact the correlative rights of any person;
  - 6.6 An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well No. **900011** is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of **350** million cubic feet of Conventional Gas underlying the Subject Drilling Unit, and to generally effect the purposes of the Virginia and Oil Act;
  - 6.7 Applicant proposes the drilling of Well No. **900029** to a depth of **5,774** feet on the Subject Drilling Unit at the location depicted on Exhibit A to produce all the Mississippian and Devonian Age formations including, but not limited to, **Ravencloiff, Maxon, Big Lime, Weir, Berea** and **Devonian Shale**, from surface to total depth drilled, **5,774** feet ("Subject Formations");

- 6.8 **Applicant proposes to drill Well No. 900011 a distance of 195.55 feet closer to existing Range Well No. 821675 than the 2500 feet mandated by statewide spacing;**
- 6.9 Applicant proposes to complete and operate **Well No. 900011** for the purpose of producing Conventional Gas;
7. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**
8. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 *et seq.* and Rule 2A of the Rules of the Virginia Supreme Court.
9. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 3 day of August, 2011, by a majority of the Virginia Gas and Oil Board.

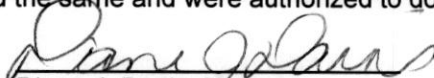
  
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 3rd day of August, 2011, by Order of this Board.

  
Rick Cooper  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA       )  
COUNTY OF RUSSELL    )

Acknowledged on this 3rd day of August, 2011, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.

  
Diane J. Davis, Notary  
174394

My commission expires: September 30, 2013

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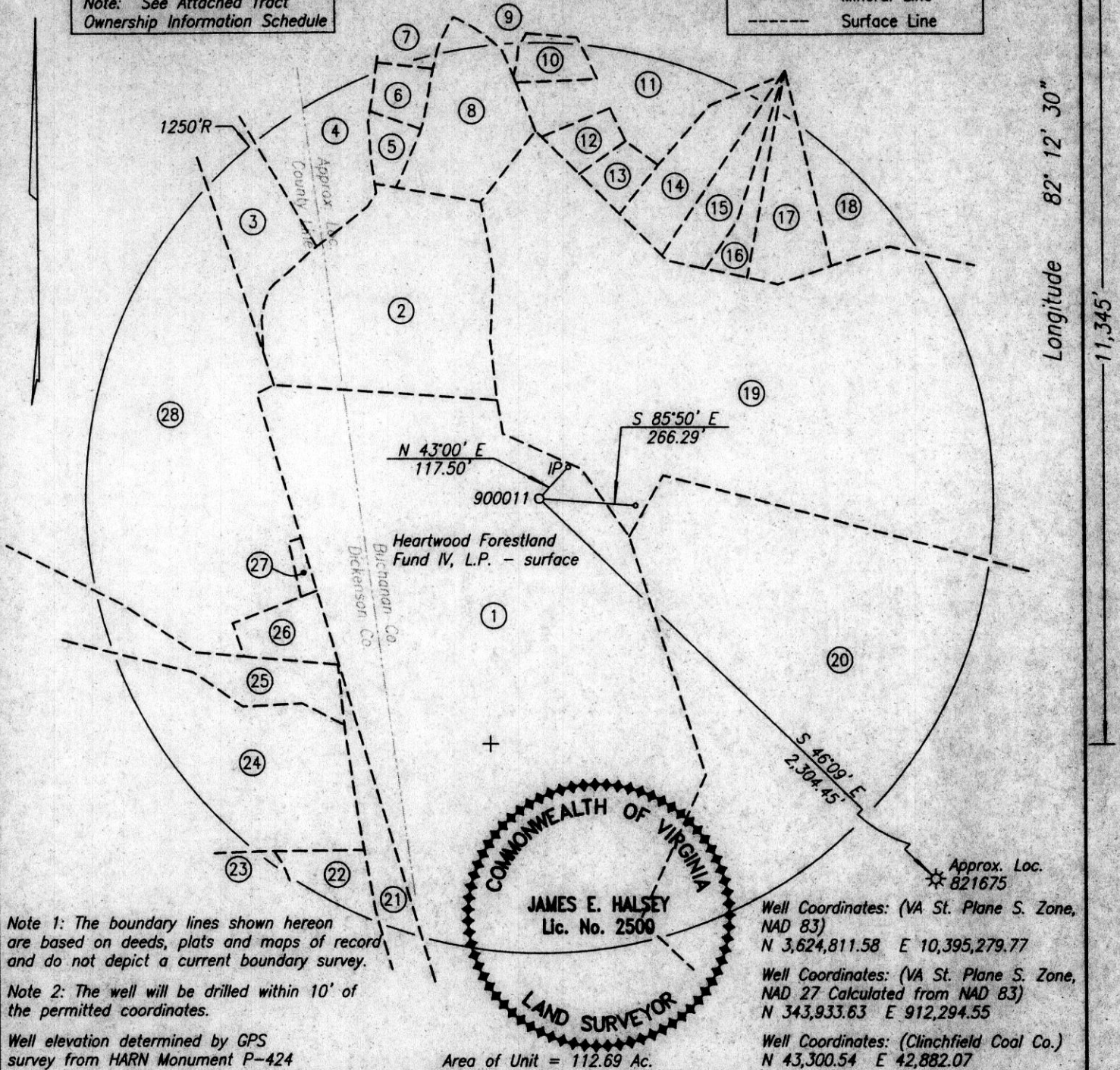


Well Coordinates: (Geographic N27)  
37.218869° -82.236414°

Latitude 37° 15' 00"

Note: See Attached Tract  
Ownership Information Schedule

--- Mineral Line  
--- Surface Line



Note 1: The boundary lines shown hereon  
are based on deeds, plats and maps of record  
and do not depict a current boundary survey.

Note 2: The well will be drilled within 10' of  
the permitted coordinates.

Well elevation determined by GPS  
survey from HARN Monument P-424

Area of Unit = 112.69 Ac.

Well Coordinates: (VA St. Plane S. Zone,  
NAD 83)  
N 3,624,811.58 E 10,395,279.77

Well Coordinates: (VA St. Plane S. Zone,  
NAD 27 Calculated from NAD 83)  
N 343,933.63 E 912,294.55

Well Coordinates: (Climchfield Coal Co.)  
N 43,300.54 E 42,882.07

WELL LOCATION PLAT

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER 900011  
TRACT NO. Big Sandy Fuel Corp. ELEVATION 1,731.45' QUADRANGLE Prater  
COUNTY Buchanan DISTRICT Prater SCALE 1" = 400' DATE 5-31-2011

This Plat is a new plat x; an updated plat       ; or a final location plat       

+ Denotes the location of a well on United States topog  
24,000, latitude and longitude lines being represented

Exhibit A

James E. Halsey  
Licensed Professional Engineer or Licens



- Big Sandy Fuel Corporation  
47.56 Acres  
ACIN LLC - coal  
Alpha Land & Reserves LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Coal Company LLC - coal lessee  
Range Resources-Pine Mountain, Inc. - oil & gas  
Gas 28.95 Ac. 25.69%
- 2 . Lease No. 450511937 (174750)  
Big Sandy Fuel Corporation  
2613.58 Acres  
ACIN LLC - coal  
Alpha Land & Reserves LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Coal Company LLC - coal lessee  
Elbert Shortridge - surface, oil & gas (Life Estate),  
Carolyn Sue Turner (remainder)  
p/o 5.0 Acres  
Gas 6.78 Ac. 6.02%
- 3 . Lease No. 450511937 (174750)  
Elbert Shortridge - surface, oil & gas (Life Estate),  
Tabitha Jo Dales (remainder)  
p/o 5.0 Acres  
Gas 1.69 Ac. 1.50%
- 4 . Unleased  
Levi and Pauline Sutherland - surface, oil & gas  
2 acres and 2 acres  
Gas 2.13 Ac. 1.89%
- 5 . Lease No. 450270538 (1063793)  
Arnold and Tama Lynn Deel - surface, oil & gas  
Parcel  
Gas 0.45 Ac. 0.40%
- 6 . Lease No. 450270538 (1063793)  
Francis Gay Blankenship - surface, oil & gas  
Parcel  
Gas 0.51 Ac. 0.45%
- 7 . Lease No. 450270538 (1063793)  
Johnnie J. Fuller - surface, oil & gas  
p/o 15 Acres  
Gas 0.05 Ac. 0.04%
- 8 . Lease No. 450270540 (1063797)  
Earl and Beatrice Steel - surface, oil & gas  
2 Acres  
Gas 2.43 Ac. 2.16%
- 9 . Lease No. 450270540 (1063797)  
Vertie Oma Coleman heirs - surface, oil & gas  
± 9 Acres  
Gas 0.06 Ac. 0.05%
- 10 . Unleased  
Steve Allen Bailey & Rita Bailey - surface, oil & gas  
Parcel  
Gas 0.48 Ac. 0.43%
- 11 . Lease No. 450270540 (1063797)  
Darrell Fenney & Katherine Coleman - surface, oil & gas  
4 Acres  
Gas 2.21 Ac. 1.96%
- 12 . Lease No. 450270540 (1063797)  
Clinton & Linda Faye Swiney - surface, oil & gas  
1 Acre  
Gas 0.49 Ac. 0.43%
- 13 . Lease No. 450270540 (1063797)  
Earl Lee & Betty Ruth Coleman - surface, oil & gas  
1 Acre  
Gas 0.49 Ac. 0.43%
- 14 . Unleased  
Donald Deel - surface, oil & gas  
1.5 Acre & Parcel  
Gas 1.47 Ac. 1.30%
- 15 . Lease No. 450270716 (1222412)  
Andrew J. and Pearlle Deel - surface, oil & gas  
2 Parcels  
Gas 1.03 Ac. 0.91%
- Jimmy Goebel Mullins - surface, oil & gas  
Parcel  
Gas 0.54 Ac. 0.48%
- 17 . Unleased  
Jerry Lee and Ival Jean Deel - surface, oil & gas  
Parcel  
Gas 1.48 Ac. 1.31%
- 18 . Lease No. 450271036 (1222302-2)  
Jeffrey O'Quinn (remainder)  
Lease No. 450271036 (1222302-2)  
Dorthenia O'Quinn - surface, oil & gas (Life Estate)  
p/o 15 Acres  
Gas 1.23 Ac. 1.09%
- 19 . Lease No. 450270475 (1064340)  
Joshua Deel  
60.72 Acres  
ACIN LLC - coal  
Alpha Land & Reserves LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Coal Company LLC - coal lessee  
Range Resources-Pine Mountain, Inc. - oil & gas  
Gas 22.17 Ac. 19.67%
- 20 . Lease No. 450270475 (1064340)  
Alex Deel  
52.01 Acres  
ACIN LLC - coal  
Alpha Land & Reserves LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Coal Company LLC - coal lessee  
Range Resources-Pine Mountain, Inc. - oil & gas  
Gas 17.25 Ac. 15.31%
- 21 . Unleased  
Kenneth O'Quinn - surface, oil & gas  
1.25 Acres & 0.50 Acres  
Gas 1.06 Ac. 0.94%
- 22 . Unleased  
Larry Deel - surface, oil & gas  
1.0 Acres  
Gas 0.74 Ac. 0.67%
- 23 . Unleased  
Rebecca Bartley - surface, oil & gas  
2.45 Acres  
Gas 0.04 Ac. 0.04%
- 24 . Unleased  
Cathy D. Owens - surface, oil & gas  
5.0 Acres  
Gas 4.78 Ac. 4.24%
- 25 . Lease No. 450511911 (1063796)  
Katherine Coleman - surface, oil & gas  
41 Acres  
Gas 1.73 Ac. 1.55%
- 26 . Unleased  
Ricky Pearl Junior Yates - surface, oil & gas (1/2 int.)  
Michael Dylan Yates - surface, oil & gas (1/2 int.)  
0.90 Acres  
Gas 0.87 Ac. 0.77%
- 27 . Unleased  
Sadie Deel & Margiphine Yates, D/B/A Y & D Market - surface, oil & gas  
Parcel  
Gas 0.14 Ac. 0.12%
- 28 . Lease No. 450511910 (1063790)  
Delmar Wayne Dale, Sr. - surface, oil & gas (Life Estate)  
Delmar Wayne Dale, Jr. (1/2 int. remainder)  
Jonathan Wade Dale (1/2 int. remainder)  
± 56.85 Acres  
Gas 11.44 Ac. 10.15%